



ENERGY ASSURANCE DAILY

Tuesday Evening, July 17, 2012

Electricity

Con Edison Says Voltage Reduction in Parts of Manhattan Has Ended July 17

Con Edison said today that it has returned voltage in Midtown East, East Side, and Roosevelt Island in Manhattan to normal levels. It had reduced voltage 5 percent in some areas of Manhattan on Monday to take some of the load off the power lines while crews repaired equipment stressed by the soaring temperatures. Reduction in voltage does not cause power outages, and Con Ed said that as of Tuesday morning only five customers were without power.

Reuters, 9:28 July 17, 2012

<http://www.coned.com/newsroom/news/pr20120716.asp>

NRC Finds TVA in Violation of Safety Regulations; Conference Set for July 25

The U.S. Nuclear Regulatory Commission (NRC) issued a preliminary “white” finding of low-to-moderate safety significance July 16 that operators at the Tennessee Valley Authority’s Browns Ferry nuclear plant in Alabama would not be able to satisfactorily perform newly established procedures to shut the plant. The NRC determined that operators had not been adequately trained on the new procedures. The Commission has scheduled a regulatory conference on July 25 to discuss this alleged violation. This finding comes one month after the NRC issued another white finding after determining that operators were not familiar enough with fire safety requirements.

Reuters, 15:19 July 16, 2012

<http://pbadupws.nrc.gov/docs/ML1219/ML12198A156.pdf>

Constellation's 1,120 MW Nine Mile Point Nuclear Unit 2 in New York Ramped Up to 80 Percent by July 17

The Nuclear Regulatory Commission reported that on the morning of July 16 the unit was operating at 28 percent. Information derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2012/>

FPL's 1,155 MW Seabrook Nuclear Unit 1 in New Hampshire Ramped Up to 85 Percent by July 17

The Nuclear Regulatory Commission reported that on the morning of July 16 the unit was operating at 68 percent. Information derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2012/>

Duke Energy's 846 MW Oconee Nuclear Unit 1 in South Carolina Reduced to 1 Percent by July 17

The Nuclear Regulatory Commission reported that on the morning of July 16 the unit was operating at 48 percent. Information derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2012/>

Energy Northwest's 1,107 MW Columbia Generating Station Nuclear Unit in Washington at Full Power by July 17

The Nuclear Regulatory Commission reported that on the morning of July 16 the unit was operating at 85 percent. Information derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2012/>

Calpine's 751 MW Pastoria Energy Facility Gas-fired Unit in California Returns to Service by July 16

According to the California Independent System Operator, the unit reported a return from an unplanned curtailment of 521 MW.

<http://content.caiso.com/unitstatus/data/unitstatus201207161515.html>

Dynegy's 510 MW Moss Landing Gas-fired Unit 1 in California Reduced by July 16

According to the California Independent System Operator, the unit reported an unplanned curtailment of 260 MW on July 16.

<http://content.caiso.com/unitstatus/data/unitstatus201207161515.html>

Dynegy's 335 MW El Segundo Gen Sta. Gas-fired Unit 3 in California Returns to Service by July 16

According to the California Independent System Operator, the unit reported a return from an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201207161515.html>

AES's 226 MW Huntington Beach Gen Sta. Gas-fired Unit 2 in California Returns to Service by July 16

According to the California Independent System Operator, the unit reported a return from an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201207161515.html>

Petroleum

Hydrocracker and Alkylation Unit 2 Resume Normal Operations at ExxonMobil's 344,500 b/d Beaumont, Texas Refinery July 17

ExxonMobil Corp said that a hydrocracking unit at its Beaumont, Texas refinery resumed normal operations following a compressor restart. The alkylation Unit 2 at the refinery also resumed normal operations after replacement of a malfunctioning valve.

Reuters, 10:36 July 17, 2012

Citgo Reports Flash Fire; Leak at Its 163,000 b/d Corpus Christi, Texas Refinery July 16

Citgo Petroleum Corp. reported a flash fire at its Corpus Christi refinery in the East plant Monday. Firefighters put the fire out and were investigating the cause. Officials said it was likely started with a compressor. The company also reported a tube leak in a process cooler at the East plant, but there was no impact to production. Operators isolated the exchanger and began maintenance work immediately.

Reuters, 23:41 July 16, 2012

Reuters, 17:43 July 16, 2012

Natural Gas

Drought Conditions in Pennsylvania Lead to Reduction of Gas Drilling Operations

Areas in Pennsylvania where natural gas producers need water to extract fuel are facing drought conditions, leading to a high number of suspensions of water withdrawals. According to the Susquehanna River Basin Commission, 30 companies that rely on 64 water withdrawal areas in 13 counties in Pennsylvania and one in New York have been affected. However, two gas producers said the suspensions did not affect them because they had already reduced operations either because of seasonal planning or due to low gas prices.

Reuters, 15:21 July 16, 2012

CPUC Rejects Sacramento Natural Gas Storage's Urban Gas Storage Project July 12

The California Public Utilities Commission (CPUC) rejected a plan by Sacramento Natural Gas Storage LLC to store 7.5 billion cubic feet of natural gas 3,800 feet below the Avondale/Glen Elder neighborhood in southeast Sacramento, California. In announcing the decision, the CPUC Commissioner referenced the natural gas pipeline explosion in San Bruno on September 9, 2010, saying it was too big of a risk. Opponents of the project sited the large population in the area of the project.

<http://www.sacbee.com/2012/07/13/4628252/state-regulators-reject-sacramento.html>

Valve Failures Shut Turbine at DCP Midstream's 160 MMcf/d Goldsmith Gas Plant in Texas July 16

DCP Midstream reported its B-turbine went down July 16 due to a valve signal failure while operating, according to a filing with the Texas Commission on Environmental Quality. Operators calibrated the valve and are troubleshooting to prevent future occurrences.

<http://www11.tceq.state.tx.us/oce/eeer/index.cfm?fuseaction=main.getDetails&target=171075>

Other News

Peabody Energy and Kinder Morgan Announce Long-Term Gulf Coast Coal Export Agreements

Peabody Energy and Kinder Morgan Energy Partners LP announced long-term multi-terminal agreements giving Peabody additional access to export coal at Kinder Morgan's Deepwater and Houston Bulk terminals near Houston, and its International Marine Terminal in Myrtle Grove, Louisiana. The agreements would expand Peabody's Gulf Coast coal export capacity to approximately 5 to 7 million tons per year between 2014 and 2020. Peabody and Kinder Morgan currently have agreements for Peabody to export coal products from the Houston Bulk Terminal and the Cora River Terminal in Illinois.

Reuters, 8:00 July 17, 2012

GreenHunter Water Begins Operations at Ohio River Barge Transloading and Bulk Water Storage Facility

Green Hunter Water said July 17 that it had started providing water management services at its completely refurbished New Matamoras, Washington County, Ohio River barge transloading and bulk water storage facility. GreenHunter provides these services to customers producing natural gas, natural gas liquids, and crude oil in the Marcellus and Utica Shale resources. The refurbished storage facility now has bulk storage capacity of an additional 70,000 barrels.

Reuters, 8:00 July 17, 2012

International News

Statoil's Peregrino Field in Brazil Will Reach Plateau at 100,000 b/d by mid-August

Norway's Statoil ASA said July 16 that it expects its Peregrino offshore oil field to reach a production plateau of approximately 100,000 b/d by mid-August as it begins operating two new wells in the next few weeks. Peregrino currently produces about 75,000 b/d of heavy crude per day.

http://www.rigzone.com/news/oil_gas/a/119356/Statoil_Says_Brazil_Peregrino_Field_to_Hit_Plateau_in_Weeks

Abu Dhabi Opens 400-km Crude Pipeline, Providing Direct Route to Indian Ocean

The United Arab Emirates inaugurated its pipeline connecting Abu Dhabi's onshore fields with the port on the Gulf of Oman, delivering its first cargo of crude oil to bypass the Strait of Hormuz on its way to Pakistan July 16. The pipeline has the capacity to deliver 1.8 million b/d of crude and will channel 1.5 million barrels past the Strait of Hormuz.

http://www.downstreamtoday.com/news/article.aspx?a_id=36723

Update: Chevron May Restart Frade Oil Field in Brazil Soon

Brazilian regulator ANP said today that Chevron Corp. could soon resume oil production at Frade field off the coast of Rio de Janeiro. Chevron suspended drilling operations in the area after a November 2011 accident at a well in the field caused a spill of about 3,000 barrels and led to lawsuits and criminal charges against Chevron and its drilling contractor Transocean. Chevron and Transocean were banned from drilling new wells in the field until an investigation started in March was completed. ANP is due to release the report this week.

<http://www.reuters.com/article/2012/07/17/chevron-brazil-production-idUSL2E8IH16V20120717?feedType=RSS&feedName=marketsNews&rpc=43>

Yemen's Maarib Oil Pipeline Resumed Operations July 14

The pipeline transports approximately 100,000 b/d of crude oil from Maarib to the Ras Isa export terminal on the Red Sea. It halted exports nine months ago following attacks on the pipeline by suspected Islamist militants.

Reuters, 10:58 July 17, 2012

Energy Prices

| U.S. Oil and Gas Prices July 17, 2012 | | | |
|--|-------|----------|----------|
| | Today | Week Ago | Year Ago |
| CRUDE OIL West Texas Intermediate U.S. \$/Barrel | 88.67 | 85.32 | 97.94 |
| NATURAL GAS Henry Hub \$/Million Btu | 2.92 | 2.78 | 4.60 |

Source: Reuters

Links

This Week in Petroleum from the U.S. Energy Information Administration (EIA)

<http://www.eia.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM and 1:00 PM Eastern Time every Wednesday.

Natural Gas Weekly Update from EIA

<http://www.eia.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM Eastern Time every Thursday.

ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/ead.aspx>

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